



Increase in value

Surplus Value

In Chapter 6 we discovered the mechanism of Surplus-Value, consequent upon the buying and selling of Labour Power, by which the overall, aggregate increase in wealth, that takes place under capitalism, is achieved.

Chapter 7 (click to download it, below) begins with a short summary of the book thus far, as follows:

“The capitalist buys labour-power in order to use it; and labour-power in use is labour itself. The purchaser of labour-power consumes it by setting the seller of it to work. By working, the latter becomes actually, what before he only was potentially, labour-power in action, a labourer.”

The production of surplus value in the dynamic relationship between the capitalist and the working proletariat provides the answer to the question that the book is intended to answer, before any other:

Where does the wealth generated by capital come from?

Or:

How, precisely, and exactly where, is the surplus taken?

Or, using Marx's words:

What is the secret of the self-increase of capital?

For, early on in his deliberations, Marx had determined that the observed general increase of wealth under capitalism could not have been coming from overcharging (cheating) in trade, because in a market of pure trading, one person's loss is another's gain, and all such losses and gains cancel out in any general summing up of wealth.

The answer is that the surplus arises in the workplace, and not in the market place, and the only source of surplus is this: that a worker can give up more in the fruits of his labour than it costs to develop and to maintain his labour-power.

This applies equally as much to women as to men.

One of the conclusions to be drawn from this is that capitalists make their money from employing people. It is the people that they employ, and not the machinery that the workers use, that makes the money. Therefore the bosses' threat to sack all the people and to substitute them all with machinery is generally a hollow threat.



Labour Power: The potential to labour

The illustration represents labour-power outside the door of the workplace. The potential workers will get paid for what they are (i.e. for the labour that went into their existence) in full. But once inside the door, all the labour that they give, and all of the fruits of that labour, will belong to the capitalist.

Human beings can give up more labour than goes into their own sustenance. This is the special characteristic of labour, different from all other inputs that the capitalist exploits, and it explains how the capitalist surplus is made.

Marx explains all this patiently and with good humour in this chapter. Please read as much of it as you possibly can, because at this point we have come close to the heart of the matter.

- The above is to introduce the original reading-text: [Capital V1, Chapter 7, Producing Surplus Value](#).
- To download any of the CU courses in PDF files [please click here](#).